Message Text

UNCLASSIFIED

PAGE 01 LISBON 06997 131913Z

46

ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 SAM-01 FEA-01 AGRE-00

CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05

CIEP-02 SS-15 STR-04 ITC-01 TRSE-00 USIA-15 PRS-01

SP-02 OMB-01 OPIC-06 XMB-04 NEA-10 EA-09 /140 W

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PR 131558Z OCT 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 8845

INFO AMEMBASSY BONN

EC BRUSSELS 1370

USDEL MTN GENEVA

AMEMBASSY LONDON

AMEMBASSY MADRID

AMCONSUL OPORTO

AMEMBASSY PARIS

OECD PARIS

AMCONSUL PONTA DELGADA

AMEMBASSY ROME

USMISSION NATO

UNCLAS LISBON 6997

DEPARTMENT PASS TREASURY

E.O. 11652: N/A

TAGS: ETRD, PO

SUBJ: GOP IMPOSES ADDITIONAL MEASURES TO REDUCE IMPORTS

REF: (A) LISBON 6203; (B) LISBON 6996

SUMMARY: THE GOP HAS ADOPTED THREE NEW DECREES DESIGNED TO REDUCE NON-ESSENTIAL IMPORTS. THE PLANNING, FINANCE, AND TRADE MINISTERS HAVE BEEN AUTHORIZED JOINTLY TO SET IMPORT UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LISBON 06997 131913Z

QUOTAS. THE IMPORT SURCHARGE ON A NUMBER OF NON-ESSENTIAL

GOODS HAS BEEN RAISED TO 60 PERCENT; ALL REMAINING ITEMS ON THE SURCHARGE LIST ARE NOW SUBJECT TO A 30 PERCENT RATE. IMPORTATION OF MANY ITEMS ON THE SURCHARGE LIST WILL ALSO BE SUBJECT TO A PRIOR DEPOSIT OF 50 PERCENT OF THE VALUE. END SUMMARY

- 1. THE OCTOBER 9 "DIARIO DE REPUBLICA" CONTAINED THREE NEW DECREE-LAWS DESIGNED TO REDUCE NON-ESSENTIAL IMPORTS. EMBASSY COMMENT IS CONTAINED IN REF (B). COPIES OF THE DECREES ARE BEING FORWARDED TO THE DEPARTMENT VIA AN AIRGRAM. THE DECREES ARE SUMMARIZED BELOW.
- 2. IMPORT QUOTAS: DECREE-LAW 720-A/76 AUTHORIZES THE MINISTERS OF PLANNING AND ECONOMIC COORDINATION, FINANCE, AND TRADE AND TOURISM JOINTLY TO ESTABLISH IMPORT QUOTAS.
- 3. IMPORT SURCHARGE: THE GOP IMPOSED A "TEMPORARY" SURCHARGE OF 20 OR 30 PERCENT ON A WIDE RANGE OF IMPORTS IN JUNE 1975. THE DURATION OF THE SURCHARGE HAS BEEN TWICE EXTENDED, AND SOME PRODUCTS WERE REMOVED FROM OR ADDED TO THE ORIGINAL SURCHARGE LIST. PRIME MINISTER SOARES RECENTLY ANNOUNCED THE GOVERNMENT'S INTENTION TO RAISE THE 20 PERCENT SURCHARGE RATE TO 30 PERCENT (REFTEL (A)). DECREE-LAW 720-B/76 OF OCTOBER 9 SET A UNIFORM 30 PERCENT RATE FOR MOST GOODS ON THE PREVIOUSLY EXISTING SURCHARGE LIST, BUT ESTABLISHE A NEW RATE OF 60 PERCENT FOR A NUMBER OF PRODUCTS. THE REVISED SURCHARGE SCHEME WILL BECOME EFFECTIVE WITH IMPORT REGISTRATIONS DATED AFTER OCTOBER 14, 1976, AND WILL REMAIN IN FORCE UNTIL MARCH 31, 1977. IMPORTS NOW SUBJECT TO A 60 PERCENT SURCHARGE INCLUDE SOME FOODSTUFFS (SHELLFISH, CHEESE, PREPARED AND CANNED MEAT AND FISH, CANDY, BAKERY PRODUCTS, CANNED FRUIT, JELLIES); BEVERAGES (FRUIT AND VEGETABLE JICES, SOFT DRINKS, MINERAL WATERS, BEER, WINE, SPIRITS); PROCESSED TOBACCO; SUITCASES AND BAGS; GREETING CARDS; CERTAIN CARPETS, TAPESTRIES AND MATERIAL; WIGS, JEWELRY; SOUND EQUIPMENT (MICROPHONES, SPEAKERS, AMPLIFIERS, PHONOGRAPHS, DICTATING MACHINES, TAPE RECORDERS); TV EQUIPMENT; MOVIE CAMERAS, RECORDERS, AND PROJECTORS; SMALL MOTORCYCLES; REVOLVERS; CIGARETTE LIGHTERS; AND PIPES.

UNCLASSIFIED

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PAGE 03 LISBON 06997 131913Z

- 4. IMPORT DEPOSIT: DECREE-LAW 720-C/76 LISTS A WIDE RANGE OF PRODUCTS SUBJECT TO THIS SCHEME. ALL THE PRODUCTS ARE ALSO SUBJECT TO THE 30 OR 60 PERCENT SURCHARGE. THE CONDITIONS ARE:
- --FIFTY PER CENT OF THE CIF VALUE OF THE GOODS WILL DEPOSITED FOR A MINIMUM OF 180 DAYS, AT NO INTEREST; --IF THE CIF VALUE CANNOT BE IMMEDIATELY DETERMINED, THE

VALUE WILL BE SET AT FOB PLUS 10 PERCENT;

--THE DEPOSIT MUST BE MADE WITHIN 8 DAYS AFTER THE IMPORT PERMIT IS ISSUED; AND

--THE DEPOSIT CANNOT BE FINANCED EITHER BY NEWLY IMPORTED FUNDS OR FROM DOMESTIC LOANS.

THE LIST OF GOODS SUBJECT TO PRIOR DEPOSIT INCLUDES ALL

THE GOODS SUBJECT TO A 60 PERCENT SURCHARGE (PARA.3).

IN ADDITION, IT INCLUDES MOST OTHER PREPARED FOODS (CHILDREN'S

OR DIETETIC PREPARATIONS, PASTA, BREAKFAST CEREALS, SEASONINGS,

SAUCES, ALL PRESERVED VEGETABLE AND FRUIT PRODUCTS, ROASTED

COFFEE AND COFFEE AND TEA EXTRACTS): MANY FRESH FRUITS

AND NUTS; DRIED FRUITS; FRESH OR FROZEN DEAD POULTRY

AND SHELLFISH; FINEGAR; HOME PRODUCTS (PERFUMES, COSMETICS

AND TOILET PREPARATIONS, SOAPS, AND POLISHES); FIREWORKS;

RUBBER AND LEATHER GOODS; REAL OR ARTIFICIAL FUR ARTICLES;

FINISHED WOOD AND RATTAN ARTICLES; PAPER GOODS WALL PAPER,

WRITING PAPER, COLORING BOOKS, CARDS, CALENDARS, TOILET

PAPER, BOX FILES, REGISTER BOOKS); ALMOST ALL FABRICS AND

CLOTHING FOR RETAIL SALE (YARNS, CARPETS, TAPESTRIES,

UNDERWEAR, STOCKINGS, ALL OUTWEAR, BLANKETS AND LINEN,

CANVAS, AND MOST KNITTED GOODS); ALL FOOTWEAR AND HEADWEAR;

BUILDING MATERIALS (WORKED STONE, WOOD PANELS, PLASTER AND

ASBESTOS-CEMENT PANELS, TILES, LAVATORY EQUIPMENT,

LINOLEUM); GLASS (MIRRORS, BOTTLES, GLASSWARE, LIGHT

BULBS); ELECTRICAL GOODS (STOVES, HEATERS,

 $HOT\ WATER\ HEATERS,\ REFRIGERATORS,\ DISHWASHERS,\ HOME\ CLOTHES$

WASHERS AND SEWING MACHINES, VACUUM CLEANERS, COFFEE MILLS,

BLENDERS, IRONS, ETC.); KITCHENWARE; TABLEWARE; KNIVES; DRY CELL

BATTERIES; TVS AND RADIOS; CAMERAS AND PROJECTORS;

MOTORCYCLES; BICYCLES; WATCHES AND CLOCKS; RECORDS AND TAPES;

WEAPONS AND AMUNITION; ALL NON-MEDICAL FURNITURE, AND BEDDING;

RECREATION GEAR (TOYS, GAMES, CHRISTMAS DECORATIONS, FISHING

AND HUNTING GEAR, CARNIVAL EQUIPMENT); SOME TYPES OF PEAS AND

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PAGE 04 LISBON 06997 131913Z

PENCILS; VAPORIZERS; AND WORKS OF ART OR ANTIQUES OVER 100 YEARS OLD.

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